



# House of Representatives

General Assembly

**File No. 163**

January Session, 2015

House Bill No. 6376

*House of Representatives, March 23, 2015*

The Committee on Veterans' Affairs reported through REP. HENNESSY of the 127th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## ***AN ACT CONCERNING VEHICLES FROM THE STATE MOTOR POOL.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 4a-57a of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2015*):

3 (a) The Commissioner of Administrative Services shall administer a  
4 property distribution program for the disposition of usable property  
5 that a state agency deems surplus to its operating needs. If any such  
6 property cannot be transferred between state agencies and there is not  
7 an immediate need to remove the property from a state facility, the  
8 commissioner shall offer the property for sale to municipalities and  
9 transit districts. If no municipality or transit district purchases the  
10 property, the commissioner shall offer the property for sale to the  
11 public. If the commissioner is unable to sell the property to a  
12 municipality or transit district or the public, the commissioner may  
13 donate the property to a nonprofit organization. The commissioner  
14 may dispose of any property that is not transferred, sold or donated.  
15 The commissioner shall establish a process for notifying municipalities

16 and nonprofit organizations of their eligibility to receive surplus  
17 property under this subsection.

18 (b) No surplus motor vehicle owned by the state that has been  
19 declared to be a constructive total loss pursuant to section 38a-353 shall  
20 be offered for sale at an auction conducted under the provisions of  
21 subsection (a) of this section to anyone other than any person, firm or  
22 corporation licensed in accordance with the provisions of section 14-52  
23 or 14-67l. No surplus motor vehicle owned by the state which has a  
24 certificate of title stamped "SALVAGE PARTS ONLY" or which has ten  
25 or more major component parts damaged beyond repair shall be  
26 offered for sale at an auction conducted under the provisions of  
27 subsection (a) of this section to anyone other than any person, firm or  
28 corporation licensed in accordance with the provisions of section  
29 14-67l.

30 (c) The state may lease to a municipality any personal state property  
31 that has become obsolete, unserviceable or unusable if the  
32 Commissioner of Administrative Services determines that: (1) An  
33 emergency situation exists in the municipality that could not be  
34 reasonably foreseen; (2) the municipality has no feasible alternative  
35 means of obtaining such property within a reasonable time; and (3) the  
36 lease would have a minimal fiscal and administrative impact on the  
37 state. Such lease shall be for not more than three months, unless  
38 extended for an additional three months by the commissioner. The  
39 municipality shall be solely liable for any damage to, or any damage or  
40 injury resulting from use of, such property and shall indemnify the  
41 state against all claims arising out of the use of such property.

42 (d) Prior to offering motor vehicles from the state interagency motor  
43 pool for sale to the public pursuant to subsection (a) of this section, the  
44 Commissioner of Administrative Services shall offer such vehicles to  
45 disadvantaged veterans free of charge. Such vehicles shall be offered to  
46 disadvantaged veterans having applied, on a form prescribed by said  
47 commissioner, for such benefit. Such vehicles shall be offered to  
48 disadvantaged veterans in the order of applications received by said

49 commissioner. For the purposes of this subsection, "disadvantaged  
50 veteran" means any member of the armed forces who was discharged  
51 or released under conditions other than dishonorable from active  
52 service in the armed forces as defined in section 27-103, and (1) is  
53 homeless, or (2) is unemployed and has been unemployed at least  
54 twenty-six consecutive weeks.

This act shall take effect as follows and shall amend the following sections:

Section 1	October 1, 2015	4a-57a
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**VA**            *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

## **OFA Fiscal Note**

### **State Impact:**

Agency Affected	Fund-Effect	FY 16 \$	FY 17 \$
Dept. of Administrative Services	Revolving Fund - Revenue Loss	See Below	See Below
Various State Agencies	GF - Potential Cost	See Below	See Below

### **Municipal Impact:** None

### **Explanation**

Under the bill, the Department of Administrative Services (DAS) must make available vehicles from the state interagency motor pool, that are set to be sold to the public, to homeless veterans and veterans who have been unemployed for at least twenty-six consecutive weeks.

Providing eligible veterans with a state auction vehicle free of charge will result in a revenue loss. Between FY 12 – FY 14, the DAS surplus vehicles program, on average, sold 1,173 vehicles per year and received, after auction fees, \$2,202 per vehicle. FY 14 revenue from the surplus vehicle auction program was \$3.1 million.

It is unknown how many eligible veterans would apply for the program. The state veteran population is 250,000; 300 of which are estimated to be homeless.<sup>1</sup> The national veteran unemployment rate is estimated at 5.3%.<sup>2</sup> However, it is unknown how many veterans have been unemployed for at least twenty-six consecutive weeks.

Providing state surplus vehicles to eligible veterans may also

<sup>1</sup>Source: Department of Veterans' Affairs.

<sup>2</sup>Source: Federal Bureau of Labor Statistics

increase costs to various state agencies that lease vehicles from DAS. Depending on the number of state surplus vehicles that are given away, DAS may need to increase daily and monthly leasing fees charged to various state agencies (who utilize vehicles) to cover the costs of operating the DAS Fleet Operations program.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of state auction vehicles provided free of charge to eligible veterans.

*Sources: Department of Administrative Services*

**OLR Bill Analysis****HB 6376*****AN ACT CONCERNING VEHICLES FROM THE STATE MOTOR POOL.*****SUMMARY:**

This bill allows the Department of Administrative Services (DAS) commissioner to give surplus vehicles in the state interagency motor pool for free to “disadvantaged veterans,” namely veterans who have been unemployed for 26 consecutive weeks or are homeless, for whatever period. (The bill does not define homeless or what qualifies as proof of unemployment.)

Under the bill, a veteran is anyone discharged or released under other than dishonorable conditions from active service in the U.S. Army, Navy, Marines, Coast Guard, Air Force, or any reserve component, including the National Guard performing duty under Title 32 of federal law (e.g., certain Homeland Security missions).

By law, the DAS commissioner may offer, for sale at public auction, property, including motor vehicles, that a state agency deems surplus to its operating needs (see BACKGROUND). Before she offers vehicles for sale at auction, the bill requires her to offer them, for free, to the veterans described above who apply on a form she prescribes, in the order in which she receives applications. It appears there is no limit on the number or value of such free vehicles an eligible veteran may obtain.

EFFECTIVE DATE: October 1, 2015

**BACKGROUND*****Property Distribution Program***

By law, the DAS commissioner administers a program for disposing

of usable surplus agency property between state agencies. If no agency claims the property, DAS must offer to sell it to municipalities and transit districts. If no municipality or transit district purchases it, DAS must offer to sell it at public auction. If DAS cannot transfer or sell it, it may donate it to a nonprofit organization. DAS may dispose of any property not transferred, sold, or donated.

**Motor Vehicles**

The law restricts the types of vehicles DAS may offer to sell surplus state motor vehicles (1) declared to be a constructive total loss, (2) stamped "SALVAGE PARTS ONLY," or (3) with 10 or more major component parts damaged beyond repair. DAS may sell these vehicles at auction only to licensed motor vehicle dealers, repairers, or recyclers.

**COMMITTEE ACTION**

Veterans' Affairs Committee

Joint Favorable

Yea 14      Nay 0      (03/05/2015)